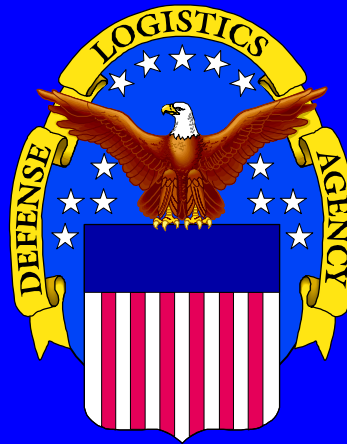


Defense Contract Management Command



The Single Process Initiative Accelerating the Pace

<http://www.dcmc.dcrb.dla.mil>



AGENDA

- Acquisition Reform Atmosphere
- Overview of SPI -- the First 12 Months
- Accelerating the Pace by...
 - ...Allowing SPI on New Procurements
 - ...Tackling Law & Reg Proposals
 - ...Going After Savings/Cost Avoidance
 - ...Facilitating SPI Between Primes & Subs
 - ...Expanding Management Council's Role
 - ...Increasing Awareness at Working Level
 - ...Sharing Successes
 - ...Building on SPI and Changing the Mindset
- Discussion



Acquisition Reform Atmosphere

GPRA

FASA

FARA

**OSD/Service
PATS**

**FAR/DoD 5000
Rewrites**

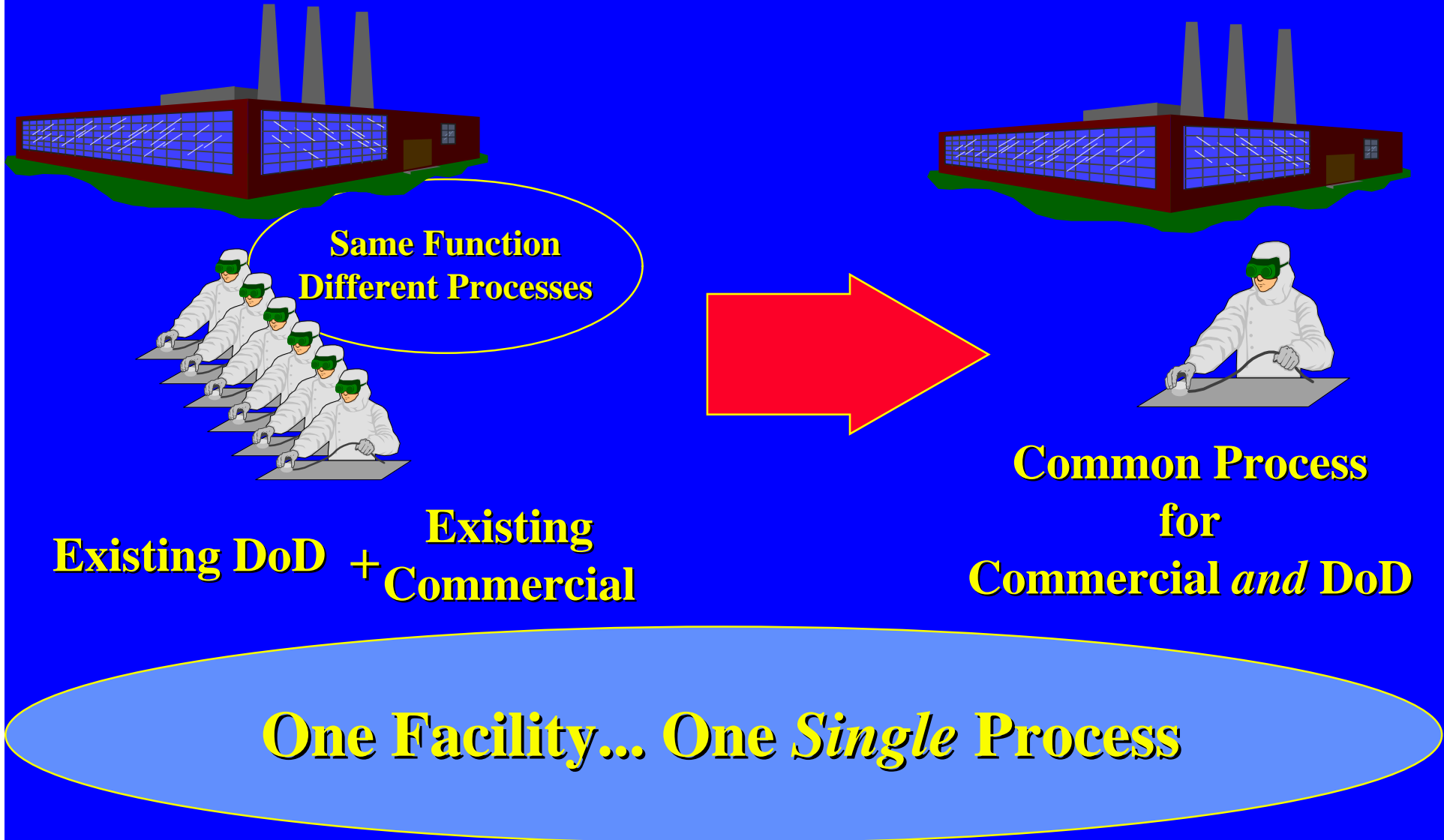
NPR/DPR

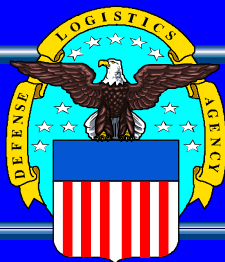
**Specs & Stds
Reform**

**Single
Process
Initiative**



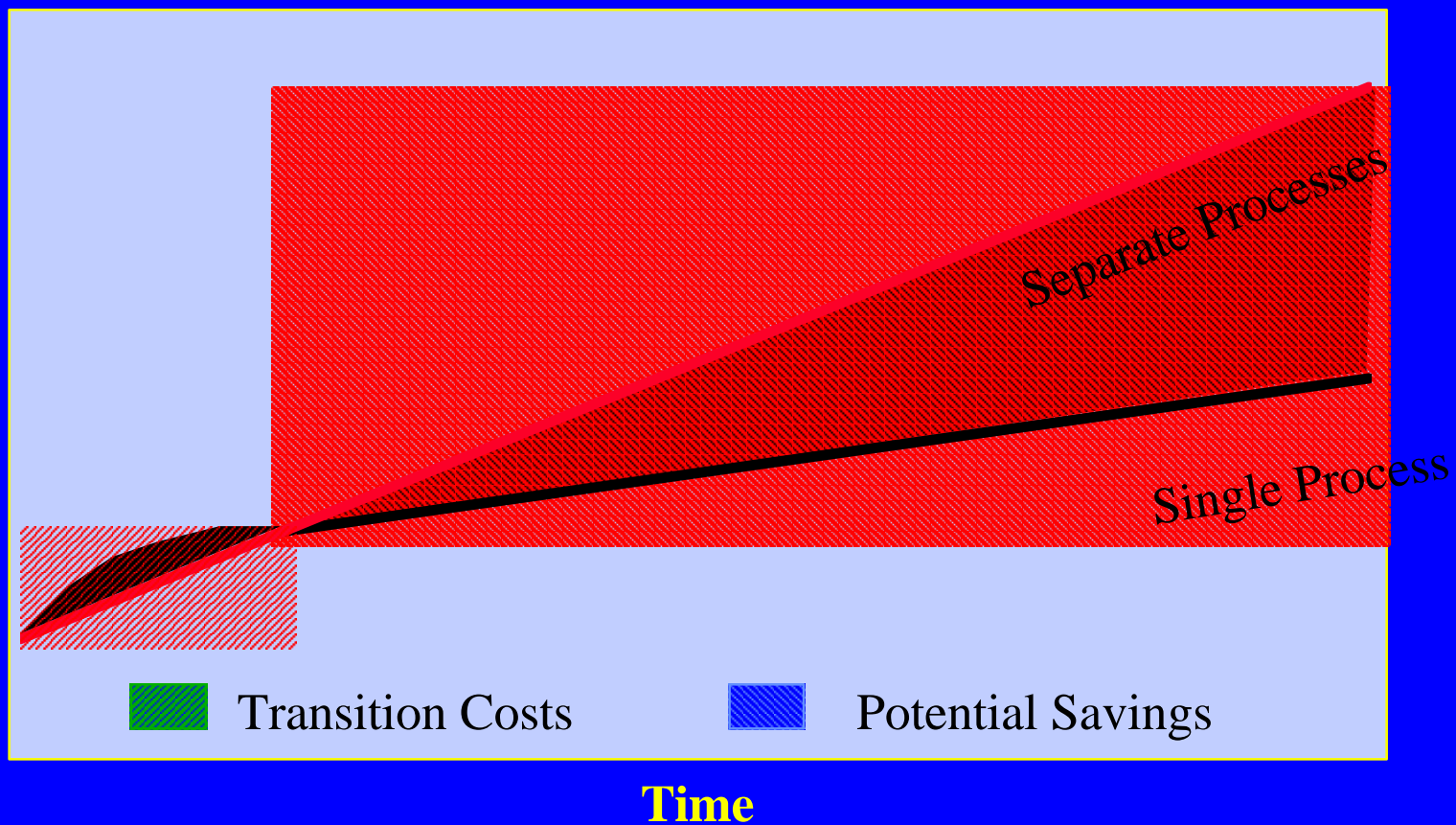
The SPI Concept



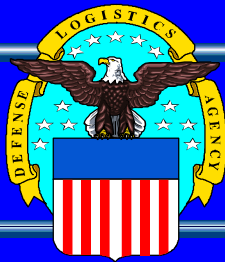


Why Change Existing Contracts?

**Cumulative
Costs**



Realize Long Term Savings on Existing Contracts

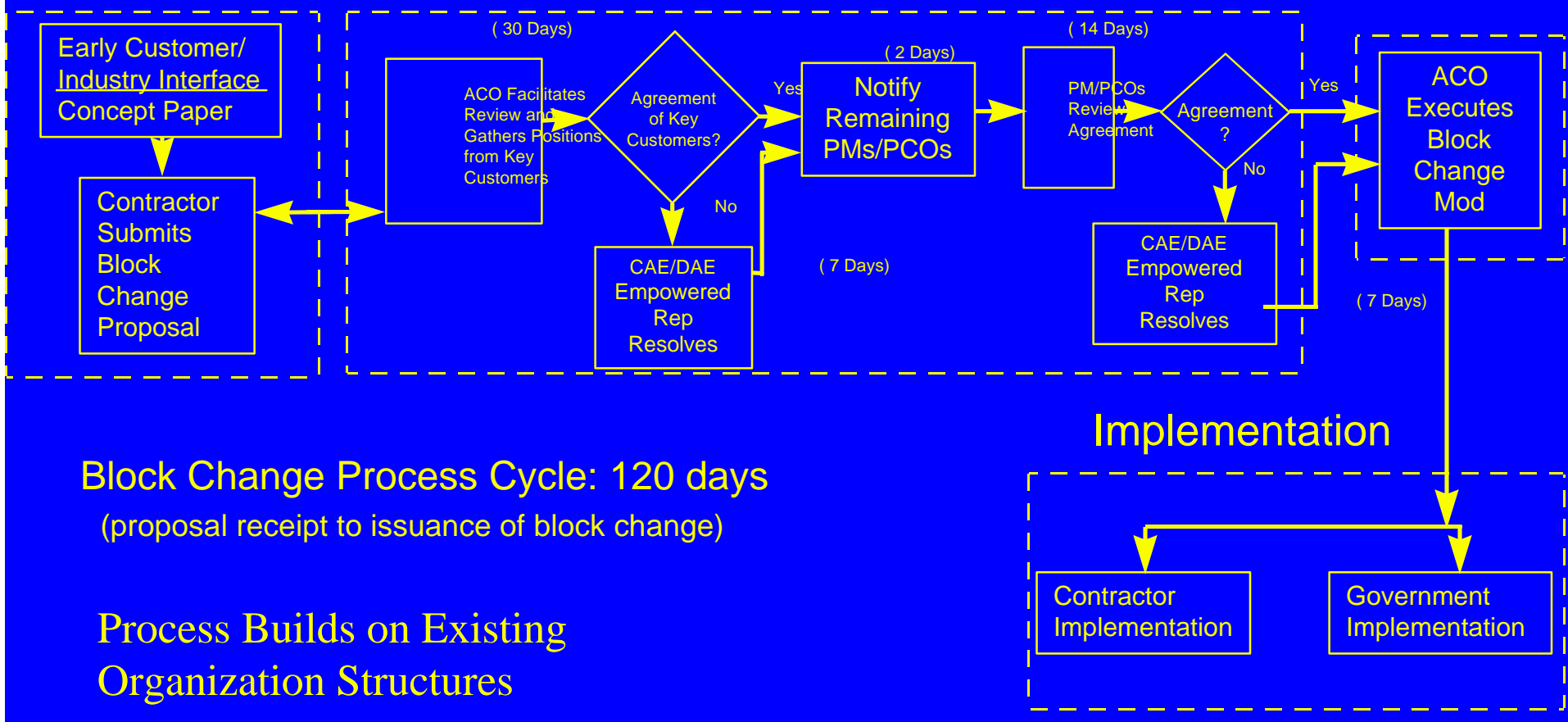


Block Change Process

Proposal Development
30 Days

Approval
60 Days

Contract
Modification
30 Days





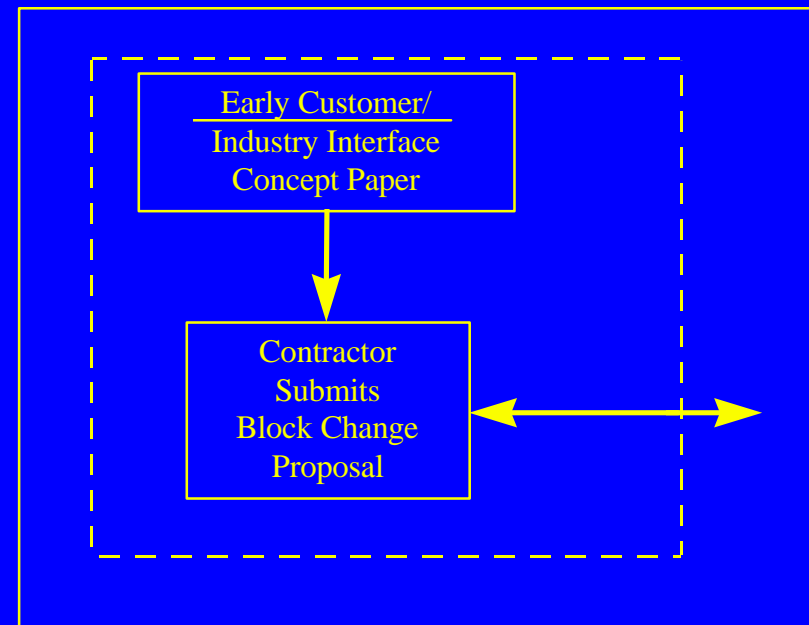
A Four Step Process

- **Contractor Submits Concept Paper**
- **Management Council Evaluates Concept Paper**
- **Block Changes Are Made to Existing Contracts to Authorize the Use of the Single Process (if management council approves concept paper)**
- **Equitable Adjustments Made to Contracts if Substantial Savings Anticipated From Changes**

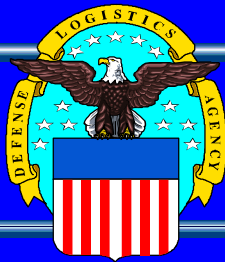


Step One

Concept Paper (proposal) Development

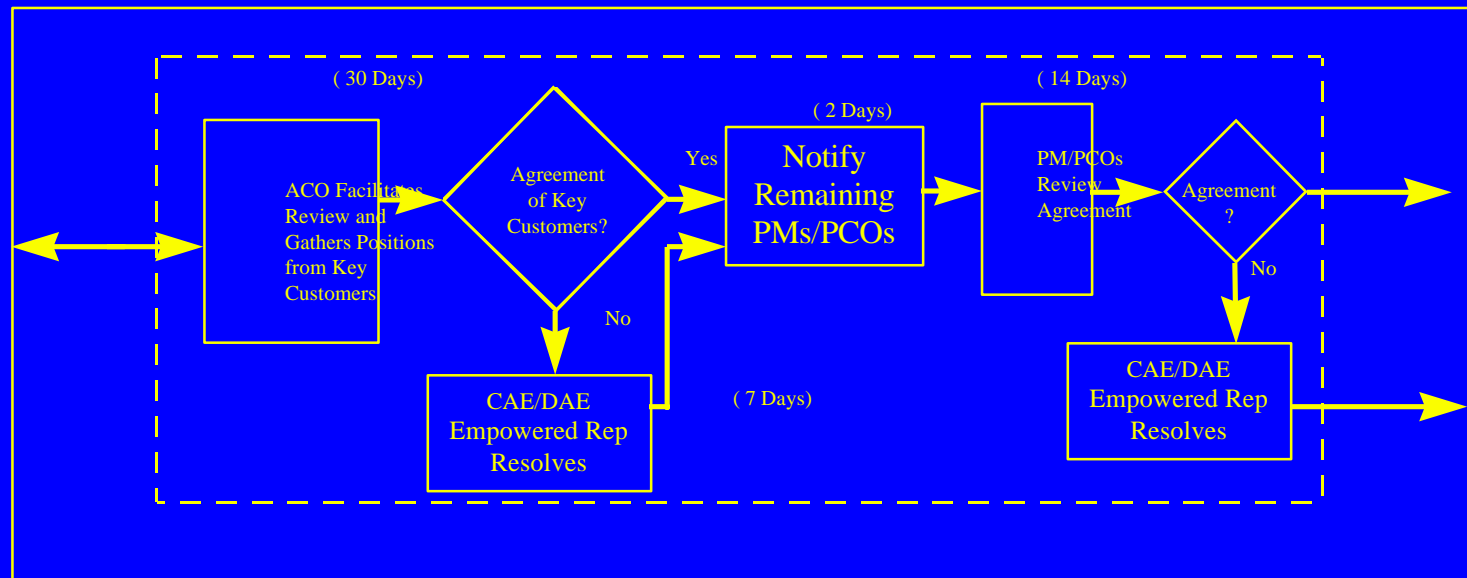


- **Early Customer / Industry Interface**
- **Develop Concept Paper with Cost-Benefit Analysis**
- **Contractor Submits Proposal if Required**
- **Activity Reported Weekly**

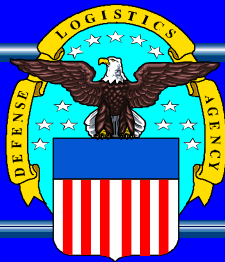


Step Two

Approval

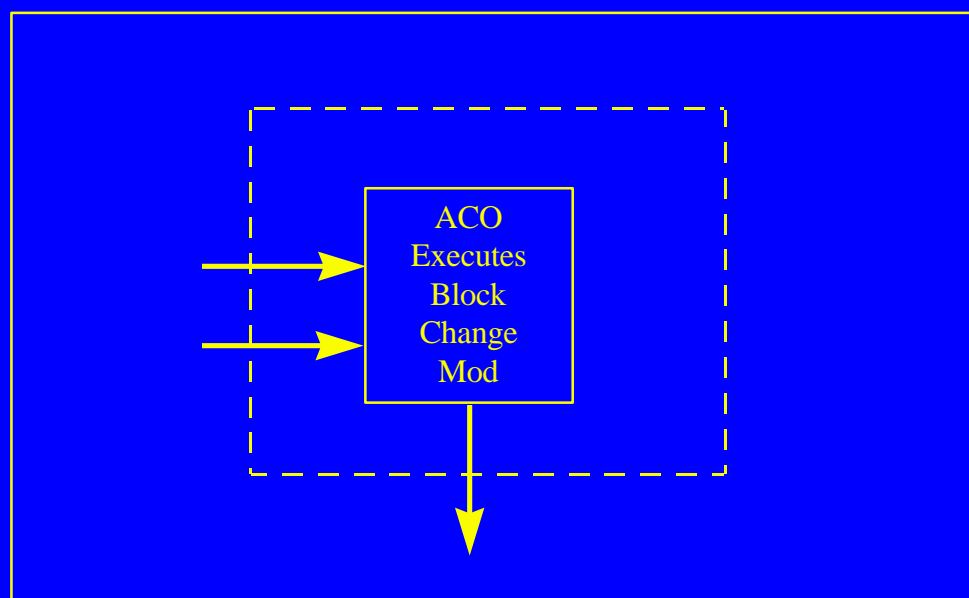


- **Coordinates with Component Team Leaders**
- **Technical Review & Evaluation**
- **SWAT Teams Assist as Required**
- **CAEs or DAE Resolves Disputes**



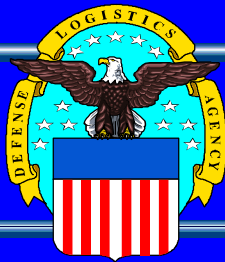
Step Three

Modification



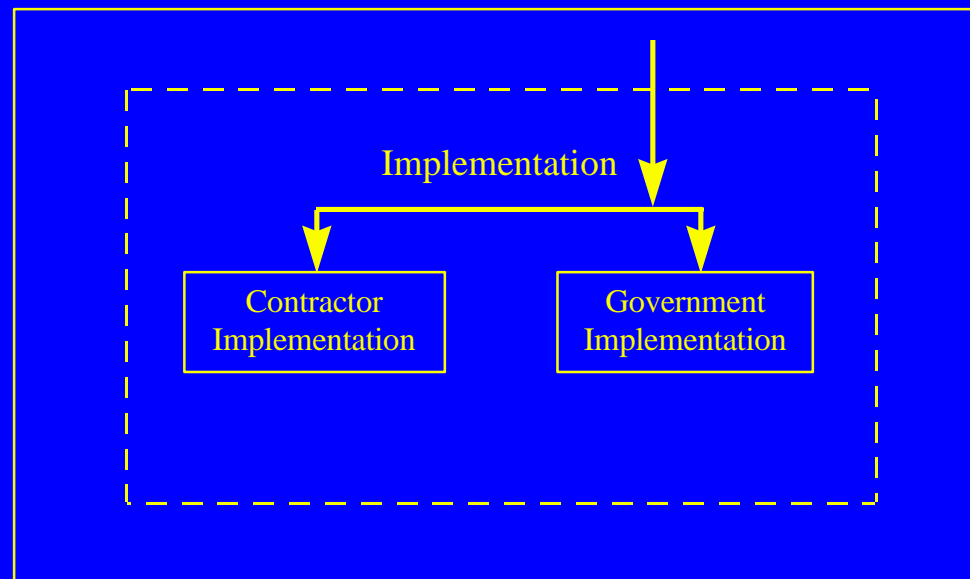
➤ ACO Executes Block Change Modification

Negotiate Consideration
if Immediate &
Significant Benefit

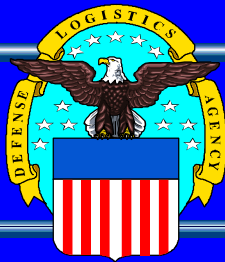


Step Four

Implementation



- **New Process Implemented**
- **Government/Contractor Activity Adjusted Accordingly**
- **Final Report Summarizes Lessons Learned & Benefits**
- **Realize Savings/Cost Avoidance**



Consideration

- **Costs To Execute Common Process Usually Occur Early**
 - **Net Cost Savings May Result & Must Be Reviewed**
 - **Cost Avoidances Follow, May Be Hard To Quantify**
- **ACOs Must Address Consideration**
 - **ACO Determines Significance & Documents Decision**
 - **Required When Significant Savings Result**
 - **Can Be Monetary Or Non-Monetary**
 - **Focus On Fixed Price Contracts**
 - **Allocation Of Compensation Can Be Tricky**



The Management Council

- Key Customers, Contractor, DCMC & DCAA
- Identifying Processes & Products at Risk
- Sponsoring Process Improvement Teams
- Evaluating Concept Papers
- Elevating Regulatory & Legal Issues

Key to SPI
Implementation



Effective Communication Critical to Success!
The Local Management Council Makes This Possible



Component Team Leaders

➤ Responsibilities

- Member Of Govt/Contractor Management Council
- Coordinates & Gains Component Consensus
- Elevates Disputes

➤ Guidance Issued

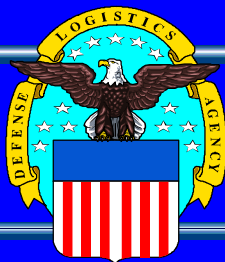
- DCMC SPI Information Sheet
- Air Force, Navy, Army, DLA & NASA Policy Letters



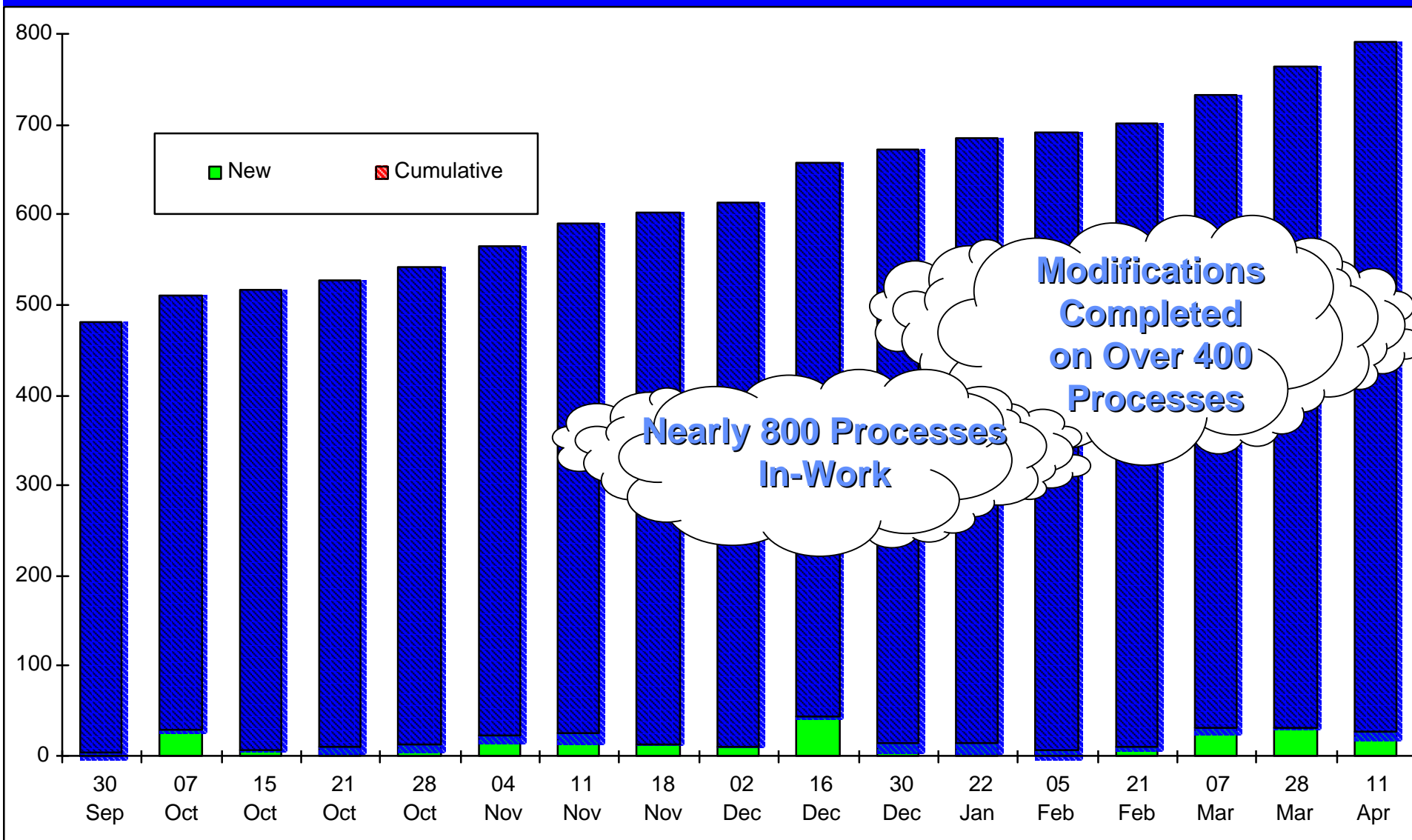
SPI - The First 12 Months

**We've Taken the First Steps
BUT it's Only the Beginning!**

Interest is *HIGH* -- SPI Activity is Increasing

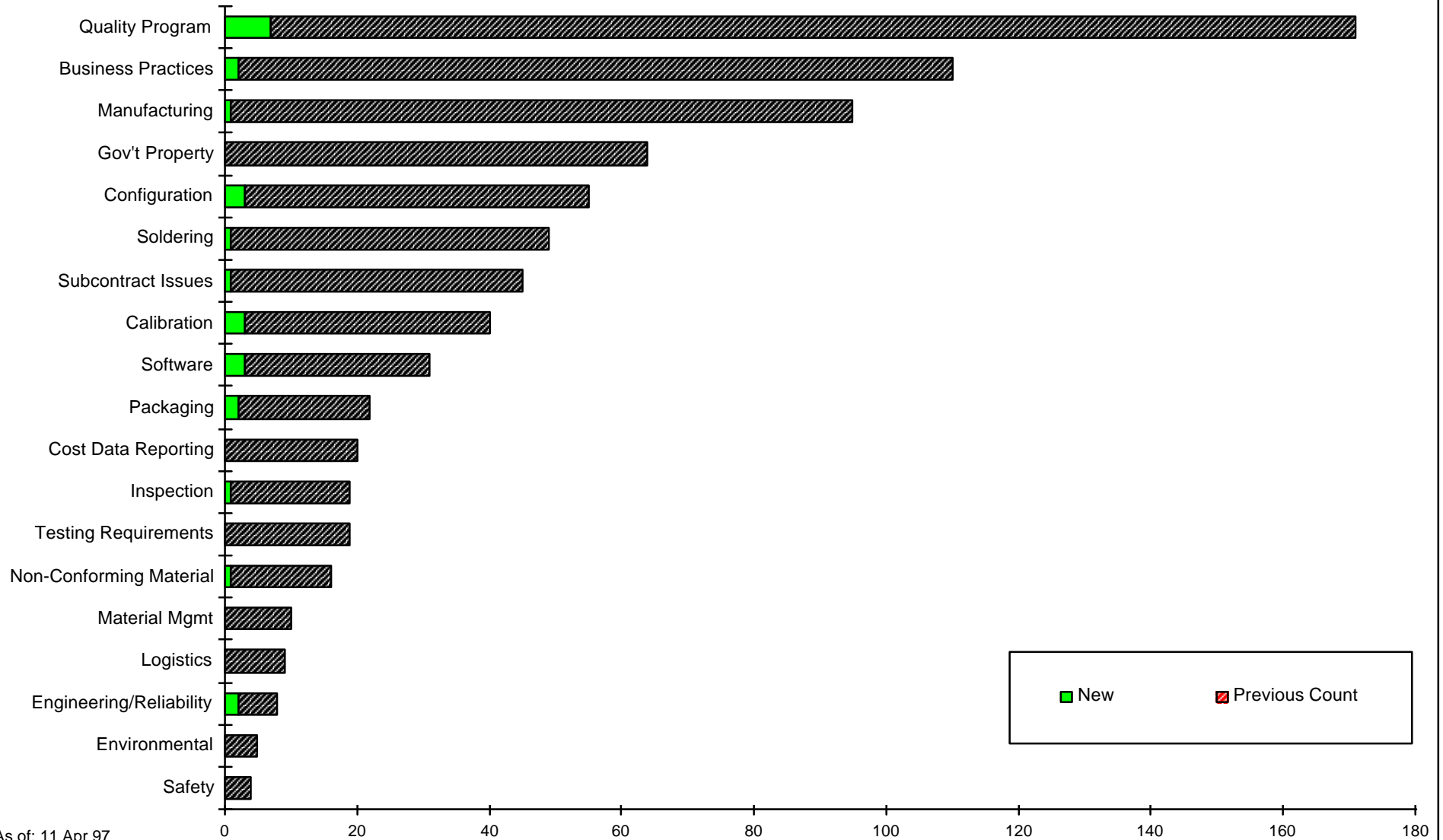


Proposed Process Changes Submitted





Most Frequently Proposed Process Changes





Accelerate the Pace By...

*We're Out of the Gate BUT We're Not
Taking Advantage of Every Opportunity*

- **Only 29 of the Top 80% of DoD Contractors are Participating in SPI**
- **IPT Formed to Target Contractors and Processes Representing High Return on Investment**



...Allowing SPI on New Procurements

- **New Procurements Should Allow Processes Implemented Through SPI**
- **Navy and NASA Have Issued Contract Language Permitting the Use of Approved Single Processes When Technically Acceptable**
- **SPI Communication IPT Recommends Similar Language for DoD-Wide Implementation**



**Proposed DFARS Case
Sent to DAR Council on 7 Feb 97**



...Tackling Law & Reg Proposals

➤ What We Need -- A Complete Package

- Cost/Benefits Analysis -- Cost, Schedule, or Performance**
- Describe Advantages and Proposed Reg Language**

➤ What We are Doing

- Consolidating Cases for DAR Council & Legislative Proposals**
- Posting Proposal Summaries and Reinvention Lab Successes on the Home Page**



...Going After Savings/Cost Avoidance

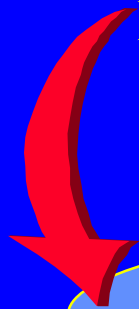
➤ **Cost/Benefits Analysis**

- **Must Be Included in All Concept Papers**
- **DCAA Must Review**
- **CAOs will Capture Estimated Cost Savings/Cost Avoidance in Weekly Reports**



...Facilitating SPI Between Primes & Subs

- **USD(A&T) Memo of 3 Sep 96 -- *A First Step!***
- **IPT Formed on 4 Nov 96**
- **Developed Model Implementation Strategy**



**Industry Associations Must
Get Involved**



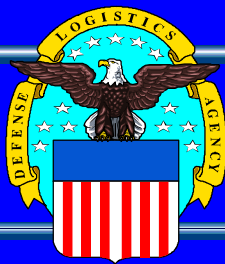
...Expanding Management Council's Role

- **Integrating Government Audits/Reviews**
- **Addressing Pollution Prevention Issues**
- **Resolving Any Other Issues of Mutual Concern**



...Increasing Awareness at Working Level

- **Roadshows and Implementation Training**
- **DAU Course Now Being Developed**
- **DSMC PM Course Elective --7 Nov 96**
- **Eliciting Industry Association Support**



...Sharing Successes

- **Essential to Building Synergy**
- **Contractor Participation is Voluntary**
 - **Non-Proprietary Information Only**
 - **Describe Original System and Approved SPI Concept**
 - **Include Contractor POC for SPI and Phone Number**
- **CAOs Submit With Weekly Report**
- **Information Posted to DCMC's Home Page**



...Building on SPI and Changing the Mindset

- Allows Us to Build Confidence in Commercial Processes
- Use SPI to ACCELERATE the Acquisition Process



**We've Been Given an Opportunity,
We Must Now Leverage It**